5

9

G.R.S. IX—5]

Previous references.

Q 447-22(1-6)
" 47-22 (9+8)

1923-4
(Geol)

File No. 13-23
Serial No.

Later references.

Geol 11-36 (3,4,19)
" 133-27 (6,5)
" 2-37 (14, 34)
" 2-37 (74, 83)

GENERAL AND REVENUE SECRETARIAT.

" 2-37 (86, 87, 98, 103)
" 69-39 (142)
" 16-39 (1641)
" 33.46.3-4
" 52-44 1—11

Serial Nos. Geol 69-47-132
Geol 99-47-1,2

Part B for 7eby 21

SUBJECT

Concessions for starting a company for the export of manganese and chrome

Ic 5146-7 & 26.2.24
Director Department of Geology
Director +C(iii) Chief Inspector of Mines
W Rev. comm by Govt of Sikkim Dwarb that the prospecting licenses for chrome may be granted to approved applicants subject to certain conditions

A1679

1039

REPLY

(*To be written on this margin.*)

DIARY NO 3285

Section.	
File No.	
Serial No.	

Immediate

No-3247

OFFICE OF THE
SECOND MEMBER OF COUNCIL

NOTE

Dated 10/24 1924

Please put up a statement showing the proceedings taken for [illegible] which sanction has been applied for - & the action & recommendations of Govt. thereon which have been reported to the Secretary of State & the reasons given & the sanction or rejection of each measure.

(2) Also put up the file containing the letter of Sanction & the correspondence of each measure.

(3) At the application after proposals taken for Chinese which are still pending with Govt may also be put up with the connected files

(4) Also a statement showing measures taken or under consideration for Chinese which have been adopted which are still in force may be also put up - showing the "Grade" & the area & the Licensed (Census) of Each Case

[illegible]

[illegible]

[illegible]

G. R. S. III-2)

3

General and Revenue Secretariat. | Geol File No. 73 of 1923.

Serial No.

S T U W

Submitted with the files relating to the reservation of chromite & other minerals together with statements as directed. 8 There are no applications received for the grant of prospecting licenses for chromite which are pending with Govt at present.

Asst. 14-2-24.

SMR 14/2

Rev Secy

D'Souza

9 A final note in accordance with the Council resolution of 12th and to be laid before Govt.

Jc 17/4/24

Put up as desired—

SMR 25/2

Rev Secy

D'Souza

25/2 SMR 25/2

A draft order as proposed for in the note and the answer as one to the resolution be made.

SMR 26/2

submitted 26/2 SMR 26/2

NOTE—Contn. sheet.

I

Statement showing the applications received for the grant or renewal of prospecting licences which have been rejected owing to the reservation of chrome ore in the State.

Serial nos.	Name of the applicant.	area & Situation of the block.	Taluk.	
1.	Mrs Khani Begum	Doddakattur inam village	Mysore	appd for mos chrome
2.	Messrs Oakley, Bourden & Co.	Hullenhalli (Bairapatna) block	Chamarajapatna	(appd for mos chrome
3.	B. Sitapathi Rao.	do	do.	appd for mos chrome

II

Statement showing the mining leases & prospecting licenses for chrome ~~ore~~ granted which are still in force.

Serial No.	Name of the lessee.	Minerals leased.	area & Situation of the block etc		Date of grant.	Term.	Date of termination.	Remarks.
	147.	The Mysore chrome Ltd.	chrome & magnesite	480 acres. Mysore Taluk.	22-4-1917.	30 years from 4-3-1916.	4-3-1946	
2.	148.	The Tata iron & Steel Co Ltd.	do	153 acres Mysore & Nanjangud Taluks.	29-8-1917	30 years from 21-6-1917	21-6-1947	
3.	149.	do.	do	49 acres Mysore Taluk	29-8-1917	do.	21-6-1947	
4	150.	do.	do	147 acres Mysore & Nanjangud Taluk	29-8-1917	30 years from 21-8-1917	21-8-1947	
5	155	Messrs Oakley Bourden & Co	chrome	251 acres Mysore Taluk	13-12-1920.	30 years from	25-8-1948	

						25-8-1918.		
6.	156.	The Mysore chromite Ltd.	Chromite	70 acres.	Arsikere Taluk.	22-6-1921.	10 years from 26-4-1919.	26-4-1929.
7	158	Messrs V. Manickavelu Mudaliar & Son.	chromite	640 acres	Channarayapatna Taluk	1-7-1922	30 years from 1-7-1922	1-7-1952.
8.	159	do.	do.	640	do	do	do	do.
9	160	do	do	480 acres	do	do	do	do
				2910				

Name of prospecting licence.

1.	605.	Mr. J. Ross (transferred to Messrs Oakley Duncan & Co)	chromite.	489 acres and 5 guntas.	Arsikere Taluk.		one year from 8-3-1923.	8-3-1924.
				2399				

The Director of Geology stated that an application for the grant of mining lease had been received in respect of this block. (Cross chromite and lease to mine Coal)

SNR 14/2

Final Note by the Second Member of Council.

\\ **Subject:—**

Relaxation of the rules in respect of the reservation of Chrome

---

Government having in their order No.I.C.4728-34/Geol. 47-22-8 dated 28th January 1923 directed the reservation of the iron ore, lime stone, dalamite, manganese and chrome, throughout the State, applications for prospecting licenses in respect of these minerals received since then have been rejected. Applications for the renewals of prospecting licenses which had already been issued in respect of the above minerals have also been rejected in the exercise of the power vested in Government to sanction their renewals or not, at their discretion.

2. With regard to chrome, the Council had first resolved to exclude it from the list of reserved minerals: but subsequently at the advise of Dr.Smeeth who was of opinion that the chrome ores might be required for Government purposes in connection with the Bhadravathi Iron Works etc., it was decided to reserve it also (Vide Mr. Raghavendra Rao's submission note dated 7th October 1922) and it was accordingly included in the list of minerals ordered to be reserved in Government Order dated 29th January 1923 referred to above. It has, however, since been brought to notice that the chrome ore is not likely to be required for some years to come for the Bhadravathi Iron Works, or any other Government purposes, and that by the time Government are in a position to make use of the chrome ore for the Iron Works other substitutes might perhaps be discovered which would considerably reduce its value and that in the circumstances Government would be well-advised in taking advantage of the present high prices of the ore and dispose of it on the best possible terms instead of completely reserving it in the un-

~~uncertain~~ expectation of obtaining a larger income therefrom in the indefinite future.

3. If exploitation and disposal of the ore is decided on it is open to Government to adopt one of the two alternative courses - either to undertake the work themselves as a Government concern or to have it done by private agency under the system of licenses now in force but with such modifications in the terms of the license as may be necessary to safeguard the interests of Government and enable them to participate in the present high prices of the mineral. The first alternative ~~has been~~ considered on a reference received by the Dewan from the Private Secretary to His Highness the Maharaja. As I have stated in my D.O. letter dated 15th January 1924 to the Dewan in that connection, I think it is not desirable for the State to take up the business themselves as it will require the outlay of a large capital which it will not be easy to find in the present state of our finances and also as there is always an element of risk and speculation in such concerns which the State cannot afford to undertake in our present condition. The only course left open is therefore to arrange for the exploitation of the ore by private agency on the best and most advatageous terms possible to Government.

4. The matter was considered at the meeting of the Council held on the 12th instant and the following opinion was recorded:-

" In view of the fact that there is a considerable extent of private enterprise coming forward to exploit chrome on account of the large outside demand for it, and that Government have at present no scheme ready for the utilization of this mineral, the Council are of opinion that it is inexpedient to rigidly enforce the present reservation of the minerals and thereby lose a considerable amount of revenue and that prospecting licenses may therefore granted for chrome under the follow-

following conditions:-

(i) Such licenses to be renewable from year to year for a period not exceeding three years without the right to a mining lease;

(ii)

(ii) Government will have the right of first refusal of any quantity of the output required by them for industrial purposes; and

(iii) The licensee will pay Government, in addition to the royalty, 25 per cent of the net profits. "

5. I beg to submit the resolution for the gracious approval of His Highness.

Offg: Second Member of Council

Bangalore,
17th Feb. 1924.

Submitted to His Highness.

I submit herewith a Final Note by the SECOND Member of Council on the subject of the relaxation of the rules in respect of the reservation of Chrome.

for His Highness' gracious approval.

Bangalore,
17th Feb. 1924.
Es.

Dewan.
17 FEB 1924

Confidential. 8

Record of Cases submitted for the Orders of His Highness the Maharaja

Subject.

C. 557
17.2.24.

Relaxation of the Rules in respect of the reservation of chrome.

693.
Returned with Do No 185 dated 22.2.1924

Order.

Do No. 185
Enc one file

THE PALACE, 9
MYSORE.

22nd February 1924.

My dear Sir,

(14) I am directed to return File No. C.557, dated the 17th February 1924, and to say that His Highness approves of the Rules proposed in modification of the existing ones relating to the reservation of Chrome. At the same time, His Highness directs me to enquire if it is not possible to form a Board or Company for exporting Manganese and Chrome His Highness understands that if Government gave necessary encouragement such a company would be formed for exporting these two minerals, and the Government might claim a substantial portion of the profits of the company as royalty without spending any money of its own. A Company like that with the backing of Government would be able to carry on operations more economically on a large scale, which individual licensees will never be able to do. If a Company is floated, it might be well for Goverment to insist that a person in whom they have confidence, like Mr. Puttanna Chetty or Mr. Vardamanaiya, should be on the Directorate of the Company.

There was never any idea of asking Government to undertake the work themselves.

Yours sincerely,
Mirza M. Ismail

Rajamantra Dhurina
A. R. Banerji, Esq., C.S.I., C.I.E.,
Bangalore.

CONFIDENTIAL.

DEWAN OF MYSORE

D.O.No.S-78/Enclosure

Bangalore,

25th February 1924

Dear Mr. Srinivasiengar

In returning the file containing your Final Note of the 17th inst., regarding the relaxation of the rules in respect of Chrome, with His Highness' orders thereon, I shall be obliged if you will kindly ~~put up~~ issue a draft order immediately sanctioning the proposals of the Council as approved by His Highness. As regards the enquiry made by His Highness, I should like to have your opinion before giving a final reply.

Please let me have your opinion on above 26/2/24

Yours sincerely

K.R.Srinivasiengar, Esq., M.A.

Member of Council.

Sd

Mr Ananthanarayanan informed me yesterday that the relaxation order re chrome had issued yesterday

Sd 27.2.24

Issued

Sd

27/2

Submd

The file is henceforth put up

Sd

27 2 24

27/2

General and Revenue Secretariat.

Govt File No. 73 of 1923.

Serial No.

(V. title page 2)

16 Draft. put up as directed

2nd S.N.R 25/2

Rev Secy)

II member) 2nd Sec. 25/2

17 A fair draft as revised by me put up. It may be issued at once and the file resubmitted to me. 2nd-K.R.S. 26/2

18 Issue and Submit

2nd-Sec. A. 26.2.

To the Director, Department of Geology,
Director of Agr.
Chief Inspector of Mines
Rev. Commr in Mysore &
DCs of districts

No. R.P. 9146-57 dated 26th February

Directs that prospecting licences for ~~the grant of~~ chrome may be granted, subject to certain conditions

19. Issued and Submitted with reference to Members order dated 26.2.24

Sec. 26.2.24

20 Rev Secy) SNR 27/2

2841/1/3.

21 Record may issue with the Gazette of 2nd inst. Dec no

Of 22 Regard the reference has perhaps 2nd inst may make some enquiries the Dist Collr

24 Issued

NOTE—Contn. sheet.

328

G. R. S. III-2]

General and Revenue Secretariat — Gen. File No. 73. of 1923

Serial No.

23
In perusal of Devans memo — may the order be printed in the Gazette

27/2/24

SM 28/2

736
28.2.24.

(Devans)
26/2

Pleased see the members order on the previous page

SM 28/2

27
Copy of the order has been sent to the press letter to G.M. Branch for being published in the Gazette & the file resubmitted as directed

Ags
29-2-24.

(2nd member)

SM 29/2

187
9.3.24

NOTE—Conin. sheet.

K. R. SRINIVASIENGAR,
MEMBER OF COUNCIL

GOVERNMENT OF MYSORE

PUBLIC OFFICES, 13

Bangalore, dated 9th March 1924

Barnes

With reference to your letter dated 25th February 1924 asking for my opinion on the suggestions contained in Mr Mirza M. Ismail's letter dated 22nd February 1924 about the formation of a Board or Company for exporting manganese and chrome, I write to say that in the new rules we have made provision for the Government getting a share of the profits of the exploitation of chrome by any person to whom a license may be issued. In the issue of either prospecting licenses or mining leases preference over individual applicants may be given to a Company promoted and managed by influential and respectable gentlemen like those named in Mr. Mirza Ismail's letter

2. As regards the backing to be given to the Company in order to enable it to carry on operations economically and on a large scale so long as we are not required to finance the Company, we may favourably consider proposals for any reasonable concessions that may be applied for by the Company

3. The file relating to the case is put up herewith for reference

Confidential

C 345

Extract from the Proceedings of the 686th *Meeting of the Council of His Highness the Maharaja, held at Bangalore on the* 12th February *19* 22

(10) 177 **Subject.- Clause xii of the Schedule.**

Relaxation of the rules in respect of the reservation of minerals.

OPINION OF THE COUNCIL.

In view of the fact that there is a considerable extent of private enterprise coming forward to exploit chrome, on account of the large outside demand for it, and Government have at present no scheme for the utilisation of this mineral ready, the Council are of opinion that it is inexpedient to rigidly enforce the present reservation of the minerals and thereby lose a considerable amount of revenue, and so prospecting licenses may be granted for chrome under the following conditions:-

(i) Such licenses to be renewable from year to year for a period not exceeding three years without the right to a mining lease;

(ii) Government will have the right of first refusal of any quantity of the output required by them for industrial purposes; a n d

(iii) The Licensee will pay Government, in addition to the - - royalty, 25 per cent of the net profits.

(Sd) A. Rangaya

Dewan of Mysore.

"EXTRACT"

Subd to 2nd Member for final note

6/12

Chief Secretary to Government.

WD 1471—GPB—2,000—1-3-21

15

Urgent List.

Concessions for starting a Company for the export of Manganese and Chrome.

OPINION OF THE COUNCIL.

WRE

Para 4 says is proposed the further prohibited matter in regard to manganese chrome, they may consider whether concessions can be given but they need not participate in the company

13/3

13/3

for I presume that they are not asking the decision of the council for further guidance in dealing with applications from companies to no further action is taken in the matter as present

If a reply is to be sent to the Deputy Secretary the Supreme Council's decision contained in his letter of 22/4/19 will be given up.

£66
17.3.20

Dear Mr Marsh a reply is due 18.3

17/3

G. R. S. III-2.

General and Revenue Secretariat.

Geol File No. 71 of 1923-4

Serial No.

A draft Scheme in connection with [illegible] is put up for approval

Darwin

19/3

19.3

NOTE—Contn. sheet.

Submitted to His Highness.

Page 9 of Office Notes

With reference to the D.O. letter No. 185 dated 22nd February 1924 from the Private Secretary to His Highness conveying the approval of His Highness to the rules proposed by the Council in modification of the existing ones, in respect of chrome ores in the State and enquiring if it is not possible to form a Board or a Company with an influential Directorate for exporting manganese and chrome on payment of a substantial portion of the profits of the Company to Government, I beg to submit that the question of issuing rules in respect of manganese, similar to those now issued for chrome with the approval of His Highness, is under ~~the~~ consideration and will be submitted soon for the orders of His Highness. These rules provide for the Government getting a substantial share (i.e., 25%) of the net profits made over the exploitation of these minerals by any person to whom a license is issued for the purpose. In issuing the licenses, every encouragement will be afforded to a company which may be formed or backed up by respectable gentlemen like those mentioned in the Private Secretary's letter by showing preference to the company in respect of the issue of the license and also by granting any reasonable concessions which may be applied for by it, so long as they do not entail the investment of any capital or the incurring of other financial liability by Government.

Page 12 of do

The question was discussed informally at a meeting of the Council on the 13th instant and the Council was of opinion that if any company is proposed to be formed for combined action in regard to manganese and chrome, Government can consider what concessions can be given to the company without participating in the financing of the company.

Further action will be taken in accordance with the decision of the Council if graciously approved by His Highness.

Bangalore,)
20th March 1924.)

CSR DKR

20 M. 24

Confidential

18

Record of Cases submitted for the Orders of His Highness the Maharaja

Subject.

Question of granting concessions to a Company in respect of manganese and chrome

717

Order.

KRW P
21/3/24

Perused

22 MAR 1924

k
21/3

3265

C 345

General and Revenue Secretariat.

Relaxation of the Rules in respect of the reservation of minerals.

31. All urgent or confidential files returned with His Highness' orders may, in the absence of instructions or indications to the contrary, be ordinarily circulated to the Members of Council for perusal after the issue of orders.

33. The Secretaries concerned should see that orders in the cases referred to above are issued at once and that the files are returned immediately after to the Chief Secretary for circulation to the Members.

34. In all other cases, the files will first be circulated to the Members of Council at headquarters and then sent to the Secretariat concerned for the issue of orders.

Circulated to the Members of Council for perusal of His Highness' orders $\frac{\text{before}}{\text{after}}$ issue of orders. (*Vide* Rules 31, 33 and 34 of the Subsidiary Rules for the conduct of business of Council in the Manual of Council Rules and Procedure)

Chief Secretary to Govt.

Through the Secretary to Government.

.....Revenue.....Department.

FIRST MEMBER OF COUNCIL.

SECOND MEMBER OF COUNCIL.

THIRD MEMBER OF COUNCIL.

NOTE—Contn. sheet.

GEN. & REV SECRETARIAT 28 MAR 1924 RECEIVED INDIA OFFICE

Mono WD 1100—GPB—500 9-1-23.

G.R.S. VI–71]

SUBJECT.....

Relaxation of the rule in respect of the reservation of Chrome

Diary No. of letter replied to.....

General and Revenue Secretariat

( )

, *the* *191*

Date of issue.....

Signed by.....

Section

File No.

Serial No.

Proceedings of the Government of His Highness the Maharaja of **Mysore.**

Read—

G.O. No. I.C. 4728-34-Genl. 47-22-8 dated the 29th January 1923 directing that Iron ore, limestone, dolomite manganese and chrome ores be reserved throughout the State.

May this be

i Printed ?

ii treated as a standing order ?

iii published in the Gazette, English Part ?

iv translated

v placed at the disposal of the press ?

vi published in the Gazette, Kannada Part ?

Order Thereon No.

Government consider that the reservation of chrome has operated as a handicap and that in the interests of the Industrial development of the State a relaxation of the

present rules & is called for. Just as
They are therefore proposed please this
to direct that prospecting licenses
for chrome may hereafter be
granted under the following special
Conditions in addition to
the ~~conditions~~ Conditions
in the Rules for the Grant of prospecting
licenses:-

(1) Such licenses will be
renewable from year to year
for a period of not exceeding
three years subsistment in right
of a mining lease

(2) Govt will have in 1941
of first refusal of any quantity
of the output required by them
for industrial purposes and

(3.) The licensee will pay Govt
in addition to royalty and other
fees payable under the rules
25% of the net profits

Please see para 4
of the Prospecting Rules
which remain to
List of enclosures.
for a general
view of procedure
to be

Copied by

Examined by

WD 1744—GPB—30,000—17-3-19

SMR
26/2

Rec Secy to Govt

Proceedings of the Government of
His Highness the Maharaja of Mysore.

****

R e a d:-

Government Order No.I.C.4728-34/Geol. 47-22-8 dated the 29th January 1923 directing that iron ore, limestone, dolomite, manganese and chrome ores be reserved throughout the State.

ORDER NO. J.C.5146-55/Geo 73-23-1

Dated Bangalore 26 - 2 - 1924

In view of the fact that there is a considerable extent of private enterprise coming forward for the exploitation of chrome on account of the large outside demand for it and that Government have no scheme ready for the immediate utilization of this mineral by them, Government consider that the ~~present~~ restrictions in respect of the reservation of this mineral may be ~~suitably~~ somewhat relaxed. They are accordingly pleased to direct that prospecting licenses for chrome may be granted to approved applicants subject to the following conditions:-

(1) Such licenses will be renewable from year to year on the application of the licensee for a period of not exceeding three years; but without the right to a mining lease.

(2) Government ~~will have the right of~~ same as in other

of first refusal of any quantity of the out-put of the mineral which may be required by them for industrial purposes and

(3) In addition to royalty and other fees payable under the rules, the licensee shall also pay to Government 25% of the net profits which may be derived by him from the business ~~of which~~ regular and correct accounts which should be maintained by him in such form and in accordance with such rules as may be prescribed by the Government.

(4) Subject to the above mentioned modifications the licensee will be bound by all the other conditions prescribed in the Rules now in force for the grant of prospecting licenses in the State

Revenue Secretary to Govt

24/1/24

To
The Director Dept of Geology -
The Director of Industries & Commerce
The Chief Inspector of Mines
The Res Commr in Mysore
The Dy Commrs of Dts

S. O.

Government of his Highness the Maharaja of Mysore.

GENERAL AND REVENUE DEPARTMENTS.

G. O. No. I. C. 5146-57—Geol. 73-23-1 dated 26th February 1924.

Prospecting licenses for chrome.

Passes orders *re* the grant of —— subject to certain conditions.

READ—

Government Order No. I. C. 4728-34—Geol. 47-22-8, dated the 29th January 1923, directing that Iron ore, limestone, dolomite, manganese and chrome ores be reserved throughout the State.

ORDER No. I. C. 5146-57—GEOL. 73-23-1, DATED 26TH FEBRUARY 1924.

In view of the fact that there is a considerable extent of private enterprise coming forward for the exploitation of chrome on account of the large outside demand for it and that Government have no scheme ready for the immediate utilization of this mineral by them, Government consider that the restrictions in respect of the reservation of this mineral may be somewhat relaxed. They are accordingly pleased to direct that prospecting licenses for chrome may be granted to approved applicants subject to the following conditions:—

(1) Such license will be renewable from year to year, on the application of the licensee, for a period of not exceeding three years, but without the right to a mining lease.

(2) Government shall be entitled to the first refusal of any quantity of the output of the mineral which may be required by them for industrial purposes and

(3) In addition to royalty and other fees payable under the rules now in force the licensee shall also pay to Government 25 per cent of the net profits which may be derived by him from the business, regular and correct accounts of which should be maintained by him in such form and in accordance with such rules as may be prescribed by the Government.

(4) Subject to the above mentioned modifications, the licensee will be bound all the other conditions prescribed in the Rules now in force for the grant of prospecting licenses in the State.

Offg. *Secretary to Government,*
Revenue Department.

To—The Officiating Director, Department of Geology.
The Officiating Director of Industries and Commerce in Mysore.
The Chief Inspector of Mines in Mysore.
The Revenue Commissioner in Mysore.
The Deputy Commissioners of Districts.

Exd.—P. S. R. N W D 1772—GPB—440—16-3-24